

RETIREMENT MEDICAL TRUST FUND

A Retirement Medical Trust Fund will be established for eligible employees in classifications in a bargaining unit that voted to participate in the Retirement Medical Trust Fund. The bargaining units that have voted to participate in the Retirement Medical Trust Fund are Management, Professional, Supervisory and Supervisory Nurses. Eligible employees are those employees with ten (10) or more years of participation in the San Bernardino County Employees' Retirement Association (SBCERA) or those individuals who contributed to a public sector retirement system or systems over a ten (10) year period and did not withdraw his/her contributions from the retirement system(s), and who retire with a service retirement. Employees who wish to receive credit for participation in other public retirement systems must provide the Plan Administrator written evidence of participation and that contributions made to the system(s) have not been withdrawn.

The Trust is administered by a Board of Trustees who manages resources of the Trust and determines applicable administrative fees for managing the Trust Fund. The Trustees insure that payments of qualified medical expenses incurred by retirees or their eligible dependents are properly reimbursed. The Trust will establish individual accounts for each participant who will be credited with interest earnings/losses based on the investment performance of the participant's individual account. All of the contributions to the Trust Fund will be treated for tax purposes as employer, non-elective contributions resulting in tax-free contributions for the County. All of the distributions from the Trust Fund made to retirees or their eligible dependents for the reimbursement of qualified medical expenses as defined by the Internal Revenue Codes (including medical insurance payments) will also be non-taxable to the retiree or the retiree's eligible dependent(s).

Employees retiring from the County with a disability retirement are not eligible to contribute the cash value of their unused sick leave balances to the Trust. These employees will be compensated for their unused sick leave in accordance with the Leave Provisions Article, Section 1(i), Sick Leave Cash-out.

The Trust is a Voluntary Employees Benefit Association (VEBA) and will comply with all of the provisions of Section 501(c)(9) of the Internal Revenue Code.

At retirement, all eligible employees will be required to contribute the cash value of their unused sick leave balances to the Trust, in accordance with the conditions described below.

MANAGEMENT UNIT

<u>Amount of Remaining Sick Leave</u>	<u>Cash Formula Value</u>
<u>Hours</u>	
480 or less	30%
481 to 600 hours	35%
601 to 720 hours	40%
721 to 840 hours	45%
841 to 1,300 hours	60%

PROFESSIONAL, SUPERVISORY AND SUPERVISORY NURSES UNITS

Effective March 14, 2006, at retirement, all eligible employees will be required to contribute the cash value of their unused sick leave balances to the Trust, in accordance with the conditions described below.

<u>Amount of Remaining Sick Leave</u>	<u>Cash Formula Value</u>
<u>Hours</u>	
480 or less	30%
481 to 600 hours	35%
601 to 720 hours	40%
721 to 840 hours	45%
841 to 1,200 hours	60%